

May 22, 2014
Maine Milk Commission Meeting Minutes
Deering Building, Room 233
Augusta, Maine 04333

Notices for the May 22, 2014 meeting were distributed to Commission members, intervenors and other interested parties on April 24, 2014 and sent to the Secretary of State's Office for posting on April 24, 2014.

Commission Present: Mike Wiers, Colon Durrell, Richard Cook, Stanley Millay and Matt Randall, *ex-officio*

Commission Absent: None

Department Officials: Ellis Additon

Staff Present: Tim Drake, Executive Director, Audrey Shorty, Resource Administrator and Carol Gauthier, Office Associate

Legal Counsel: Lauren Parker

Intervenors Present: Tom Brigham and Douglas Carr of Oakhurst Dairy, John Blake, H.P. Hood, Shelley F. Doak, Maine Grocer Association, Fred Snowman of Hannaford/Delhaize, Julie-Marie Bickford and Dale Cole of MDIA and Bob Fortin, Audrey Slattery and Clayton Davis of DMS/DFA

Others Present: Dave Stonesifer, Herbein & Co.

Chairman Wiers called the meeting to order at 10:34 a.m.

Agenda Item 1: Minutes: Richard Cook made a motion to accept the minutes of the April 24, 2014 meeting, Colon Durrell seconded the motion. Motion passed 4-0.

Agenda Item 2: Lauren Parker, Assistant Attorney General:

Agenda Item 3: Minimum Prices:

Tim Drake reported that a prevailing premium of \$1.10/cwt. on Class I for June 2014, Dairy Marketing Services (DMS) had been reported. In addition to this premium, DMS reported that an additional \$0.43/cwt for milk that comes from producers who do not treat their cows with the rBST hormone will be in effect. Federal Order One Class I price for June is \$26.11, a decrease of \$1.61/cwt. He explained that a schedule was prepared using this information plus a producer cost of production adjustment (COPA) of \$1.16/cwt. He stated that this price schedule was for informational purposes and that the Commission was not bound to it, and should make their pricing determination after hearing testimony.

Chairman Wiers asked for testimony from the intervenors.

Dale Cole asked why the price would drop when there had been a drop in production.

Julie-Marie Bickford stated that with planting season upon us the farms would be using all available cash to plant crops and that \$1.61/cwt. is a substantial drop. She asked that the Commission consider raising the producer margin slightly.

Richard Cook asked if the feed companies were still in arrears collecting past feed bills as had been reported in the past.

Dale Cole answered that there had been some progress but not enough.

Julie-Marie Bickford stated that every time the producer margin is lowered the farms feel the full effect.

Tom Brigham asked the Commission to consider leaving the producer margin at \$1.16. He feels that the border stores are at a tipping point where consumers would travel over the border to purchase cheaper milk. He again urged the Commission to stay the course.

John Blake urged the Commission to use the same caution that they used lowering the producer margin when considering raising it.

Shelley Doak stated that she had been travelling the state visiting member stores and had repeatedly heard comments that consumers are still struggling with food and fuel costs. Border stores with New Hampshire continue to have issues with lower milk prices in New Hampshire and consumers are leaving Maine daily to purchase milk in New Hampshire. She asked the commission to go as slow raising the producer margin as they did when lowering it.

Dale Cole pointed out that retailers were still charging consumers \$1.40/gallon over minimum in some locations.

Julie Marie Bickford stated that while she respected their “partners” she pointed out that retailers have the flexibility to charge more where farmers don’t have that same flexibility. There has not been enough time for the farms to recover. She asked again that an increase of the producer margin be considered.

Colon Durrell made a motion to accept order #06-14 with a producer margin of \$1.16/cwt. He pointed out that the Class I price is \$3.91/cwt higher now than it was a year ago and that the producer margin was only \$0.37/cwt lower and that feed prices are down also.

Richard Cook seconded the motion.

Chairman Wiers called for a vote on the motion. The motion passed 4-0.

Agenda Item 4: Maine Monthly Price Survey: The Commission reviewed the Maine price survey for May 2014 which showed retail prices for Augusta, Scarborough, South Portland, Brunswick, Biddeford, Bangor and Brewer. Shelley Doak asked the Commission to consider a more comprehensive survey which included border stores and smaller convenience stores.

Agenda Item 5: Next Scheduled Meetings:

- June 19, 2014, 10:30 a.m.
Room 233, Department of Agriculture, Conservation and Forestry, Augusta ME
- July 25, 2014, 10:30 a.m.
Room 233, Department of Agriculture, Conservation and Forestry, Augusta ME
- August 21, 2014, 10:30 a.m.
Room 233, Department of Agriculture, Conservation and Forestry, Augusta ME
- September 18, 2014, 10:30 a.m.
Room 233, Department of Agriculture, Conservation and Forestry, Augusta ME

Agenda Item 6: Other:

1. **Monthly Financial Report:** The financial report for FY14 was reviewed.

2. **Producer Margin Contract:** Dave Stonesifer of Herbein & Co. gave a presentation of the preliminary Retail Margin study report and answered a few questions from the Commission and intervenors. The Commission decided to have the rulemaking hearing after their regular meeting on June 19, 2014.

Agenda Item 7: Executive Session: None

Adjourned: Adjourned; 11:22 a.m. May 22, 2014.
Tim Drake, Maine Milk Commission